



State of Utah

Department of Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board
Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
David K. Stevens, Ph.D.
Richard W. Sprott
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON SEPTEMBER 14, 2007 IN WEST JORDAN, UTAH

Board Members Present

Anne Erickson, Chair
Myron Bateman, Vice Chair
Daniel Fleming
Jay Franson
Helen Graber
Paul Hansen
Petra Rust
David Stevens
Richard Sprott
Ron Thompson

Staff

Kenneth Bousfield
Kenneth Wilde
Steve Onysko
Rich Peterson
Karin Tatum
Julie Cobleigh
Michael Grange
Nagendra Dev
Linda Matulich

Board Members Excused

Ken Bassett

Guests

Owen Howell, Whispering Pines
Eugene Rino, Whispering Pines
Gary Frandsen, Snowville
Lynn Wall, Wall Engineering
Doug Nielsen, Sunrise Engineering
Steve Sheffey, Dugway

Guests Continued

Lynn Sagers, Rural Development
Brian Tenney, Journey Team
Dianne Nielson, Utah Energy Office
David Hartvigsen, Smith Hartvigsen
Fred Nelson, Attorney Generals Office
George Cruz, Bureau of Land Mgmt.
Dale Pierson, Rural Water Association
Bill Bigelow, Bear River WCD
Voneene Jorgensen, Bear River WCD
Justin Gough, Novotx, LLC

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in West Jordan, Utah with Chairman Erickson presiding. The meeting was called to order at 1:00 p.m.

ITEM 2 – ROLL CALL

Chairman Erickson asked Ken Bousfield to call roll of the Board members. The roll call showed there were 10 members present.

ITEM 3 – INTRODUCTIONS

Chairman Erickson welcomed everyone and asked the guests to introduce themselves.

Chairman Erickson extended a welcome to Dr. David Stevens, a new member of the Drinking Water Board.

Dr. Stevens gave some background information on his education and work.

Chairman Erickson thanked the staff of the Jordan Valley Water Conservancy District for the very informative tour of their new Conservation Garden, and for the use of their facilities for the Drinking Water Board meeting.

ITEM 4 – APPROVAL OF MINUTES

Chairman Erickson stated a motion was in order to approve the minutes of the July 13, 2007 and the August 2, 2007 Drinking Water Board meetings.

August 2, 2007:

Paul Hansen proposed an alternate motion he made at the August 2, 2007 Drinking Water Board teleconference meeting as follows:

Paul Hansen moved the Drinking Water Board:

- 1) Authorize the Magna Water Company (District) to spend \$503,771 from their 1997 Repair and Replacement Reserve Fund for construction of the Water Treatment Project.**
- 2) Not set a limit on the balance of the Repair and Replacement Reserve Fund, but allow the District the option to use the remaining reserve funds as needed on the project, however require that the District submit payment requests to the Board for approval.**
- 3) Require the District to continue building up the Repair and Replacement Reserve Fund at a rate of 5% (of its drinking water system operation and maintenance budget) annually, as required by the 1997 bond.**
- 4) Require the District to use interest earned on Drinking Water Board funds on the project only and not on any “non-project” facilities.**

Ken Wilde mentioned in “ITEM 2 – ROLL CALL”, 6 members are listed as being present during roll call. It should read 7 members were present during roll call instead.

Myron Bateman moved the Board approve the minutes of the August 2, 2007 Drinking Water Board Teleconference meeting with the changes mentioned above.

Petra Rust seconded.

**CARRIED
(Unanimous)**

July 13, 2007 Board Meeting:

Petra Rust moved the Board approve the minutes of July 13, 2007 Drinking Water Board meeting.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

ITEM 5 – SRF/CONSERVATION COMMITTEE REPORT

1) Status Report – Ken Wilde

Ken Wilde reported the Board has \$208,000 in the State SRF program. The principle fund has a minus of \$267,095, and \$475,493 in the State Hardship Grant fund. There is a list of target dates for closing some projects soon in the packet. The planning loans/grants are merely a formality on the community signing the paper and staff signing the agreement paperwork. The Circleville loan closed on August 2, 2007.

Ken Wilde reported staff changed the format on the Federal SRF program to be more understandable. Ken mentioned the Board has \$9,500,000 in the Federal SRF program to use for loans. Ken mentioned the Board will receive \$13,000,000 in grant, interest and principal payments over the next 12 months. There is a list of authorized projects in the packet that haven't closed yet.

2) SRF Applications

a) Emergency Funding Deauthorization – Ken Wilde

Ken Wilde mentioned the Board authorized \$1,300,000 to some of the communities in the Washington County area that needed assistance a week after the flooding occurred.

Ken Wilde reported staff is requesting the Board deauthorize any remaining funds of the \$1,300,000 earmarked for the emergency flooding in Washington County.

Ronald Thompson moved the Board deauthorize any remaining funds of the \$1,300,000 earmarked for the emergency flooding in Washington County.

Jay Franson seconded.

**CARRIED
(Unanimous)**

b) Town of Paragonah – Planning Loan – Rich Peterson

Rich Peterson reported the Town of Paragonah has a master plan. The Town of Paragonah is receiving help from the PCIB. Paragonah's current rate is about 1.6% of their local MAGI. The MAGI is about 72% of the State's MAGI. Staff is recommending the Board authorize a planning grant of \$16,250.

Doug Nielsen, Sunrise Engineering representing the Town of Paragonah, was available for any questions of the Board.

Jay Franson moved the Board authorize a planning grant of \$16,250 to partially fund their master plan. The Town needs to provide or secure the other \$16,250, The Town needs to prepare a bacteriological sample site while completing their planning study.

Daniel Fleming seconded.

**CARRIED
(Unanimous)**

c) Whispering Pines Water Company – Michael Grange

Michael Grange reported the Whispering Pines Water Company is a privately owned water company. Whispering Pines Water Company is requesting \$222,000 in financial assistance from the Board to perform a well step drawdown and constant rate tests, install two new well pumps, a telemetry system, and the required meters, valves, pressure gages and sample taps at each well.

Michael mentioned their MAGI is 79% of the State MAGI. After the completion of their project, the monthly water bill will be \$36.23, which is equal to 1.59% of their local MAGI.

Michael mentioned the Whispering Pines Water Company's \$222,000 request will be at 3.19% for 20 years on the condition the company can demonstrate having the technical, managerial and financial capabilities they are required by the Capacity Development program.

Owen Howell, Eugene Rino and Lynn Wall, representing Whispering Pines Water Company, addressed the Board.

Discussion followed.

Jay Franson moved the Board continue the Whispering Pines Water Company's request to the next Board meeting on October 12, 2007. The Whispering Pines Water Company's engineer and staff will review their storage requirements and complete the Assessment.

Whispering Pines Water Company will work with Division of Water Rights staff and the Division of Drinking Water staff on their proposed project request. Ken Bousfield will write a letter to the Division of Water Rights asking them to work with the Whispering Pines Water Company and the Division of Drinking Water on their construction loan request for their proposed project.

Discussion on motion.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

d) Snowville Water Works – Julie Cobleigh

Julie Cobleigh reported Snowville Water Works is requesting \$40,000 to cover increased construction costs. Currently, they have a \$650,000 Loan at 0.0%, which resulted in an average monthly water bill of \$58.19, which is, or 2.83% of the local MAGI. The project is near completion. They only have the wellhouse and a portion of the water line to complete. The wellhouse came in over budget. The estimated cost of the wellhouse, the waterline and engineering contracts, including contingencies, exceed the current budget by \$110,000. They have secured \$70,000 in grant money from Rural Development. The SRF Conservation Committee recommends the Board authorize a \$40,000 loan at 0% interest with 100% principle forgiveness.

Gary Frandsen, representing Snowville Water Works, addressed the Board.

Discussion followed.

Daniel Fleming moved the Board authorize a \$40,000 loan at 0.00% interest with 100% principle forgiveness to Snowville Water Works.

Petra Rust seconded.

**CARRIED
(Unanimous)**

e) Bear River Water Conservancy District – Rich Peterson

Rich Peterson reported the Bear River Water Conservancy District (WCD) covers all of the Box Elder County. Bear River WCD's regionalization project consists of a water storage tank and a transmission line. The cost of the project is over \$2.8 million. Bear River WCD is contributing \$480,000. The District currently serves 118 residential retail customers. They also serve approximately 10,000 wholesale customers.

Voneene Jorgensen and Bill Bigelow, representing the Bear River Water Conservancy District, answered questions from the Board.

Discussion followed.

Ronald Thompson moved the Board authorize the Bear River Water Conservancy District a \$1,800,000 loan at 2.19% for 20 years, and a \$600,000 grant for the South Willard project with an \$18,000 loan original fee, with the condition that the District increase their impact fees appropriately and repay 60% of the collected impact fees for new connections that exceed growth projections as shown in the packet, and allow for a modified repayment schedule.

Discussion on motion.

Daniel Fleming seconded.

Ronald Thompson amended his motion to also include that the Bear River Water Conservancy District keep the first \$500,000 of impact fees to pay for a second well that would include any backup sources.

Daniel Fleming seconded.

**CARRIED
(Unanimous)**

Chairman Erickson welcomed Dianne Nielson to the Board meeting. Dianne Nielson recently transferred from the Department of Environmental Quality (DEQ) to the State Energy Office. She was the Director of the Department of Environmental Quality. She is now the Director of the State Energy Office.

Chairman Erickson presented Dianne Nielson with a plaque and a Pepperidge Farm gift basket. Chairman Erickson thanked Dianne Nielson for her dedication and years of service as the Director for DEQ and a member of the Drinking Water Board.

Dianne Nielson thanked the Board and staff.

Rick Sprott left the Board meeting.

ITEM 6 – RULE R309-352 – NON SUBSTANTIVE RULE REFERENCE CHANGE

Steve Onysko reviewed the rewording and non-substantive changes in Rule R309-352 – Capacity Development Program. There are a number of non-substantive changes on language and structure in the Rule.

Steve mentioned he would come back to a future Board meeting and review the substantive changes that he plans to make in the Capacity Development Rule.

Ken Wilde gave some background information on the Capacity Development Rule.

Discussion followed.

Petra Rust moved the Board authorize staff to proceed with filing all of the non-substantive changes in Rule R309-352 - Capacity Development Rule, with the exception of Section R309-325-6 – Minimum Capacity Required for Financial Assistance Under Provisions of ~~R309-351~~ R309-700 and -705.

Discussion on motion.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

The Board authorized Steve to proceed with filing all of the non-substantive changes to Rule R309-352 with the exception of Section R309-325-6. Steve will proceed with filing the changes to Rule R309-352-6 later.

Rick Sprott joined the Board meeting.

ITEM 7 – RULE REVISIONS: R309-700 AND R309-705

Ken Wilde reported that Rule R309-705 – Federal SRF Loan Program does reference the Capacity Development Program.

Ken reviewed the proposed rewording of Rule R309-700 and Rule R309-705 – SRF Loan Programs. Ken requested some direction from the Board before submitting the changes made to Rule R309-700 and -705.

Discussion followed.

The Board directed Ken to make some changes in Rule R309-700 and -705 – Federal SRF Loan Program, and bring them back for approval at the next Board meeting.

Fred Nelson left the Board meeting.

ITEM 8 – CHAIRMAN’S REPORT

Chairman Erickson asked the Board members to e-mail Ken Bousfield on any agenda items for the October 12, 2007 Board work meeting.

Chairman Erickson invited the Board members to inform the Chair of their interest in replacing Laurie McNeill on the SRF/Conservation Committee’s via e-mail.

ITEM 9 – DIRECTORS REPORT

a) DDW’s Source Protection Grant Application

Ken Bousfield reported the Division has submitted two applications for the enhancement of the State Source Protection program. Staff became aware of \$8,000,000 that has become available from EPA to be used for Source Protection. The award would be given in two separate

categories: 1) Capacity Development and 2) Source Protection. Capacity Development would have \$5,000,000 and Source Protection would have \$3,000,000 available to use, if we get them.

Ken said they envision using a partnership approach in bringing the Source Protection program up to the next level. Most of Utah's water systems already have a source protection program in place.

Ken reviewed what staff has accomplished in the Source Protection program, and what staff will be doing with the water systems in the Source Protection program.

b) A 40 Acre Subdivision South of Mona

Ken Bousfield reported that a developer wants to do to a 40 acre subdivision that is just south of Mona.

Ken has talked with Fred Nelson on what the Division needs to do. The Division will start with an Administrative approach.

Discussion followed.

Petra Rust left the Board meeting.

c) New Staff

Ken Bousfield introduced Nagendra Dev, a new staff member in the Construction Assistance Section.

Nagendra Dev gave some background information on his work and education to the Board.

Petra Rust joined the Board meeting.

Ken Bousfield gave the Board some information on the International Code Council. The Council may be requesting some involvement from the Board in the near future.

Ken said that staff received some information from the Fire officials in Sanpete County. Ken mentioned Steve Onysko will be the Division's contact.

Steve Onysko mentioned the International Code Council has a conglomeration of fire codes, zoning codes, etc. A number of years ago the Council issued an International Wildland/Urban Interface Code. Steve gave the Board some background information on the program. The Council would like the Board to mandate the non-fire protected water systems some type of discharge other than a hydrant. The Council would like some direction from the Board. The Board may ultimately be involved with the Council.

Discussion followed.

ITEM 10 – NEWS ARTICLES

The news articles are in the packet.

ITEM 11 – CENTRAL IRON COUNTY WATER CONSERVANCY DISTRICT'S
TOUR BOOK FROM THE JULY 13, 2007 BOARD MEETING

A copy of the Tour Book is in the packet.

ITEM 12 – NEXT MEETING

The next Board meeting will be on October 12, 2007 at 168 North 1950 West, Room 101, Salt Lake City, Utah. There will be a work meeting in the morning and lunch. The Board meeting will start at 1:00 p.m.

ITEM 13 – OTHER

No other business.

ITEM 14 – ADJOURN

Chairman Erickson stated a motion to adjourn the Board meeting was in order.

Petra Rust moved to adjourn the Drinking Water Board meeting at 3:35 p.m.

Rick Sprott seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary